

INTRODUCTION

Welcome to *English for Financial Literacy*, an instructor's resource for teaching financial literacy concepts and skills in LINC and adult ESL programs at CLB levels 1 to 8. *English for Financial Literacy* is a supplementary resource with a planning framework and reproducible sample activities. It complements a series of CIC-funded resources for LINC programming, including the *LINC 1–5 Curriculum Guidelines*, the *LINC 1–4 Classroom Activities*, the *LINC 5–7 Curriculum Guidelines*, the *LINC 5–7 Classroom Activities* and the *Citizenship Resource CLB 1–8*. The main objective of *English for Financial Literacy* is to help instructors incorporate financial literacy content into their program planning and teaching, and support them in learning about key topics and concepts related to financial matters.

The content of the *English for Financial Literacy* resource was specifically guided by the principles of methodology and thematic content of the *LINC 1–5 Curriculum Guidelines* and the *LINC 5–7 Curriculum Guidelines*. The resource provides ideas for curriculum content and sample reproducible activities that:

- are consistent with the Canadian Language Benchmarks 2012
- are relevant to the needs, goals and interests of Ontario newcomers
- integrate the instruction of financial literacy concepts and skills with the English language instruction at CLB levels 1 to 8
- address numeracy skills pertinent to the specific financial literacy topics

The development of the resource was informed by:

- a review of literature on financial literacy, financial literacy instruction, and existing financial literacy curricula and resources
- a survey of the needs of LINC learners and instructors across Ontario
- consultations with an advisory committee comprising key stakeholder representatives and financial literacy experts
- field testing by instructors in a variety of LINC programs across Ontario
- critical reviews by adult ESL methodology and financial literacy experts

OVERVIEW OF THE DOCUMENT

Organization

English for Financial Literacy is organized by CLB levels and consists of three volumes:

- Volume 1 is intended for learners at CLB 1–2 as well as ESL literacy learners.
- Volume 2 is intended for learners at CLB 3–5.
- Volume 3 is intended for learners at CLB 6–8.

Each volume is organized by themes and topics, following the organizing principle of the LINC 1–5 resources. There are five themes in each volume:

Banking and Personal Finance

Consumer Matters

Education

Employment

Housing

These themes are further divided into topics with planning tools and sets of activities designed around specific financial literacy outcomes. The topics vary from volume to volume; the selection of topics in each volume is determined by the language proficiency levels. Some topics may be too basic for Volume 3, while others will be too challenging for Volume 1 or 2 due to learners' more limited proficiency levels. The topics draw on the content ideas of the LINC themes and related financial concepts or skills. Consequently, the activities provide opportunities for practice in both language and financial literacy skills.

Each topic includes:

- **Learning Outcomes** with sample financial literacy and language outcomes. Financial literacy outcomes are divided into two groups: *Understanding and Knowledge* and *Application*. Language outcomes, based on CLB competency statements, are adjacent for easy reference. The selected sample outcomes can be used to plan a lesson or series of lessons around them.
- **Background Information and Key Language Elements.** This page provides key factual information on the topic as well as a sidebar with related level-appropriate language elements that can be taught: key vocabulary, collocations, abbreviations, possible grammar structures, and related skills and strategies. Instructors can use this page to inform themselves about the topic; they can also use the sidebar as the basis for developing their own activities, such as vocabulary practice exercises.
- Sets of reproducible **activity worksheets** preceded by **Teaching Notes**. The teaching notes are intended to help instructors plan and deliver the instruction; they offer listings of financial literacy outcomes pertinent to the specific activities/tasks and related CLB competencies. They also provide instructors with teaching ideas, ideas for extending the tasks, and *Beyond the Classroom* ideas, which offer guidance on how learners can extend what they've learned beyond the classroom and relate it to their personal goals and needs. The teaching notes also include answer keys and transcripts.
- **Supplementary Numeracy Worksheets.** These worksheets accompany sets of activities in Volume 1 and are designed to provide additional practice for learners who need it.

The activity worksheets are designed to address all four language skills, focusing on developing the language related to a given financial literacy concept. They can be used as they are, or adapted to suit a range of teaching and learning styles as well as learners' specific needs.

The reproducible sample activities of *English for Financial Literacy* are accompanied by online activities. These activities can supplement what is taught in the classroom and provide additional practice in language, numeracy and financial literacy skills. By using a different medium, these activities provide learners with independent learning practice. They can be used to consolidate learning and provide simulations of situations where learners can practise their language skills.

Guiding principles

The content and methodology of the proposed *English for Financial Literacy* are founded on:

- the theory and principles of the Canadian Language Benchmarks
- the thematic content and skills specific to financial literacy
- a task-based approach of content-based instruction and Essential Skills

The document is consistent with existing LINC documents in that it reflects the underlying principles of the Canadian Language Benchmarks:

- It facilitates the development of all five components of communicative proficiency (linguistic competence, textual competence, functional competence, socio-cultural competence and strategic competence) by ensuring that classroom tasks and activities are designed to include these components.
- It uses a task-based approach, where emphasis is on developing language skills in a variety of contexts through tasks that approximate real-world tasks and through the use of authentic texts where possible.
- It is learner-centred: learner needs, goals and interests are the focus of the program and determine its content.

English for Financial Literacy also draws on content areas and core financial literacy competencies that are listed in the section entitled *What is Financial Literacy?* The financial literacy competencies include prose literacy, document literacy, numeracy and problem-solving skills as well as oral fluency and confidence.

These skills relate to *Essential Skills*, which are the skills and abilities that are essential to success in the workplace. They are:

- *Reading Text*
- *Document Use*
- *Numeracy*
- *Writing*
- *Oral Communication*
- *Work with Others*
- *Thinking Skills*
- *Computer Use*
- *Continuous Learning*

Typical applications for these skills could be financial literacy tasks. For example, in *Reading Text*, the application would be integrating and synthesizing information, or reading to understand, learn, or evaluate; in *Thinking Skills*, it could be problem solving or decision making. In *Numeracy*, it would be numerical estimation and calculation. These *Essential Skills* applications (tasks) are embedded in language activities and, in this way, address financial literacy skills through language instruction.

Finally, the document draws on elements of Content-Based Instruction (CBI). In CBI methodology, language instruction is the vehicle for gaining knowledge of content and acquisition of content-related skills. Through task-based instruction, learners have an opportunity to acquire and improve their language skills while developing financial literacy.

WHAT IS FINANCIAL LITERACY?

Financial literacy has many possible definitions, but all of them refer to a set of personal skills and knowledge. The Task Force on Financial Literacy defines it as:

...having the knowledge, skills and confidence to make responsible financial decisions. “Knowledge” means understanding personal and broader financial matters. “Skills” are the ability to apply that knowledge in everyday life. “Confidence” means feeling self-assured enough to make important decisions. This is often a key factor in galvanizing people into action. By “responsible financial decisions,” we mean that people will be able to use the knowledge, skills and confidence they have gained to make choices that are appropriate to their own circumstances.¹

Making financial decisions in present times is a complex task and requires understanding and knowledge of various areas such as saving, spending, borrowing and investing, as well as a wide range of skills, for example consumer literacy, document use, decision making, critical thinking and problem-solving skills, to name a few. It also requires awareness of any risks involved in making various financial choices. By incorporating the financial literacy content into language teaching, instructors can help learners develop the knowledge and skills that will enable them to understand and respond to various issues related to their own or their families’ finances.

Consumer and financial literacy can be described through key competencies in several broad areas. These competencies can be used as a reference when formulating contextualized financial literacy outcomes, and further, relating those outcomes to the language outcomes. The competencies listed below have been divided into two categories: *Understanding and Knowledge* and *Application*. *Understanding and Knowledge* is about the nature of money and its forms, how money is used, and what implications or consequences consumer and financial decisions can have. *Application* refers to applying the financial and consumer understanding and knowledge in various contexts, using initiative to build one’s own financial capacity, and making financial and consumer decisions. These two groupings are interrelated and embrace the broad range of knowledge, skills, values and attitudes as they relate to financial literacy.

UNDERSTANDING AND KNOWLEDGE	APPLICATION
EARNING	
<ul style="list-style-type: none">▪ Understand forms of employment and the financial implications they have▪ Understand how taxes and other deductions affect income; understand gross and net pay▪ Understand various forms of income▪ Understand how various training and employment choices impact future earnings	<ul style="list-style-type: none">▪ Make informed decisions about own cash flow, assets and investments▪ Explore different options in making money▪ File a tax return▪ Consider training options to advance own employment opportunities▪ Estimate and calculate earnings and deductions▪ Track employment records and income
SPENDING	
<ul style="list-style-type: none">▪ Understand own relationship with and attitude towards money	<ul style="list-style-type: none">▪ Use budget tools to plan spending▪ Keep financial records and track own

¹ Task Force for Financial Literacy, <http://www.financialliteracyincanada.com/definition.html>, retrieved December1, 2012.

<ul style="list-style-type: none"> ▪ Understand value of money ▪ Distinguish between needs and wants ▪ Recognize how personal spending habits and decisions affect own and/or family situation 	<p>spending</p> <ul style="list-style-type: none"> ▪ Identify and keep track of factors that impact own cash flow
BORROWING	
<ul style="list-style-type: none"> ▪ Understand the cost of borrowing and risk involved; understand how compound interest works ▪ Understand when and how to use credit to own advantage ▪ Understand how borrowers are assessed and qualified by lenders ▪ Be aware of the warning signs of debt ▪ Understand what credit history, credit score and credit rating are 	<ul style="list-style-type: none"> ▪ Identify type of credit appropriate for own situation ▪ Evaluate consequences of using various types of credit ▪ Shop around, compare and apply for credit ▪ Learn how to use financial calculators and various tools to calculate the cost of borrowing ▪ Identify ways to build own credit history ▪ Select a credit card suitable for own needs ▪ Track own borrowing
SAVING	
<ul style="list-style-type: none"> ▪ Identify own financial needs and wants ▪ Understand the importance of financial planning ▪ Understand how various saving vehicles and products work ▪ Recognize the value of saving as a means to own financial stability 	<ul style="list-style-type: none"> ▪ Formulate long- and short-term financial goals ▪ Prepare personal and/or family budgets to build wealth ▪ Compare different saving options ▪ Compare different forms of investments ▪ Save for own retirement, child's or own education, down payment towards a house, etc. ▪ Monitor the value of own savings
CONSUMER LITERACY	
<ul style="list-style-type: none"> ▪ Understand how own lifestyle and personal choices affect own financial situation ▪ Understand how to compare various products/services and their costs ▪ Be aware of consumer fraud and scams ▪ Be aware how advertising affects own spending decisions ▪ Understand consumer rights and responsibilities ▪ Understand how insurance works 	<ul style="list-style-type: none"> ▪ Become proficient in using calculators and various financial tools to calculate interest, discounts, cost of renting or leasing, or to compare costs ▪ Identify cases of consumer fraud ▪ Avoid fraud and scams ▪ Protect own identity ▪ Take recourse when own consumer rights are violated ▪ Evaluate and select insurance policy suitable for own needs

INCORPORATING FINANCIAL LITERACY IN ADULT ESL PROGRAMS

Key considerations

Teaching financial literacy concepts and skills to adult ESL learners can be quite different from teaching them to other audiences, such as youth. Here are some of the factors that instructors need to recognize and consider before planning and developing their programs:

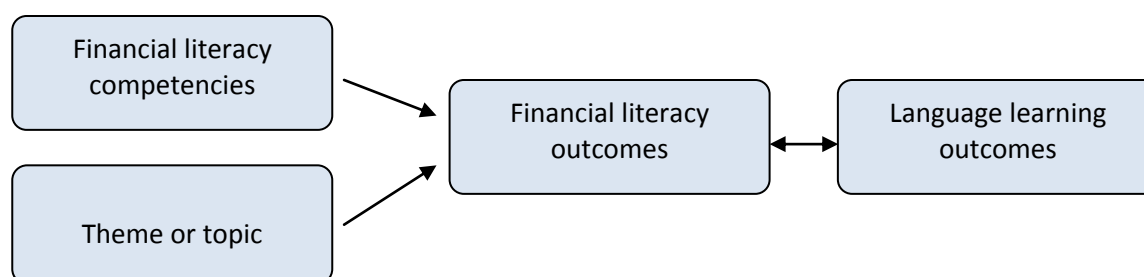
- Recent research on financial literacy concludes that newcomers cannot be characterized as a homogenous group, with the same needs and goals. On the contrary, newcomers to Canada represent a variety of social, educational and financial circumstances and differ greatly in terms of experiences, attitudes and norms related to money issues. Similarly, their financial needs and goals can be as diverse. This can pose a real challenge to an instructor who wants to incorporate financial literacy concepts and skills into their program. A carefully planned needs assessment will help instructors identify the finance-related topics that are of high interest for a particular group of learners.
- Teaching complex or abstract financial literacy concepts to learners with basic language proficiency can pose many challenges or may simply not be possible due to the lack of comprehension or communication at the required level. Often, limited language proficiency is accompanied by weakness in the underlying skills (for example, document literacy, numeracy, problem-solving skills). Raising levels of financial literacy requires first developing these underlying skills and the language skills, and then reinforcing them in various financial literacy contexts.
- The financial literacy competencies cannot be achieved solely through classroom instruction; reflection on one's own financial goals, attitudes and habits, as well as self-assessment of learning, also need to take place. The actual achievement of the specific financial literacy competencies will take place outside the classroom, in real-life situations, on an as-needed basis, rather than immediately or in the near future. Instructors can encourage learners to develop and use strategies to take charge of their learning and the development of their financial literacy.
- LINC and adult ESL instructors may themselves find the content of some financial literacy topics difficult and, as a result, lack sufficient confidence to address them in the classroom. Instructors may also feel uncomfortable discussing financial matters due to their own experiences or cultural norms and attitudes. To remedy this, instructors can inform themselves about the specific financial literacy topic they intend to teach and explore learners' cultural attitudes about it.

The planning process

To plan a lesson or series of lessons integrating financial literacy and language learning, instructors can follow their usual planning routine, keeping in mind that it may be important and efficient to factor in the financial literacy content at the early stages of the planning process. The planning model discussed below demonstrates how financial literacy can be integrated with language teaching.

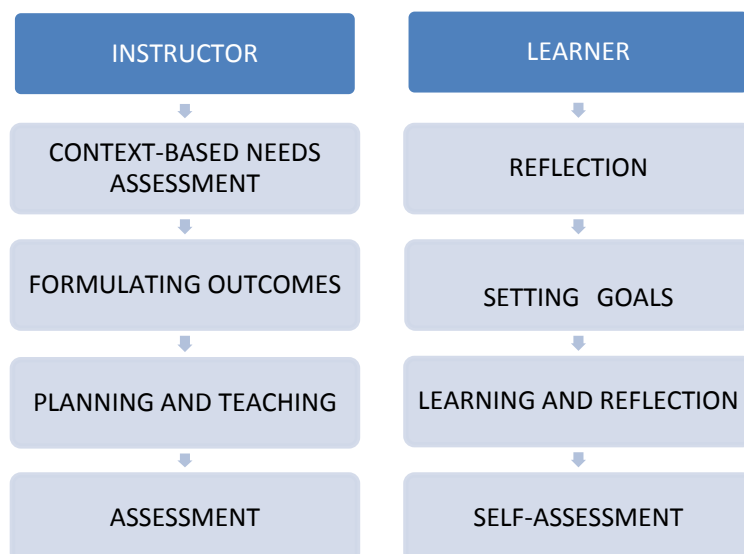
In addition to the typical needs assessment done for a language program, where information is gathered about learners' interests and needs, instructors will need to get a sense of the level of financial literacy among the learners in their class. Instructors can do this every time they plan a new theme by identifying possible financial literacy aspects within that theme and gathering information from learners. This can be done in a variety of ways, such as an informal class discussion, a checklist, a questionnaire, or a *What do you know about ...* quiz. The financial literacy content will vary from theme to theme; some topics, by virtue of their content, do not have a financial literacy aspect, while others provide many opportunities to make connections to financial literacy.

With the information gathered through needs assessments, instructors can plan a lesson or series of lessons. First, they need to formulate the learning outcomes for both language and financial literacy. The financial literacy outcomes are guided by the content and underlying skills, such as document use or numeracy; the language outcomes are guided by the level-appropriate CLB competencies. The language and financial literacy outcomes should interrelate; for example, in order to achieve the financial literacy outcome *Understand costs, needs and wants*, learners need to *demonstrate comprehension of tables or diagrams such as budgeting tools* and *participate in a small group discussion to plan a student budget* (the language learning outcomes). Similarly, in order to demonstrate these language learning outcomes, learners need to have at least some understanding of costs, needs and wants. Instructors can also use the list of financial literacy competencies in this section to become familiar with the general competency areas of financial literacy before they formulate the contextualized outcomes.



Once the outcomes have been articulated, instructors can select the materials they will use to develop activities and tasks. Instructors can use authentic materials in different media such as brochures, forms, contracts and receipts, advertising, podcasts and YouTube videos as well as other online and print financial literacy resources. Through the language tasks and activities that may focus on vocabulary development, listening comprehension, reading skills, or grammar, learners learn the concepts and develop the underlying skills that lead to financial literacy.

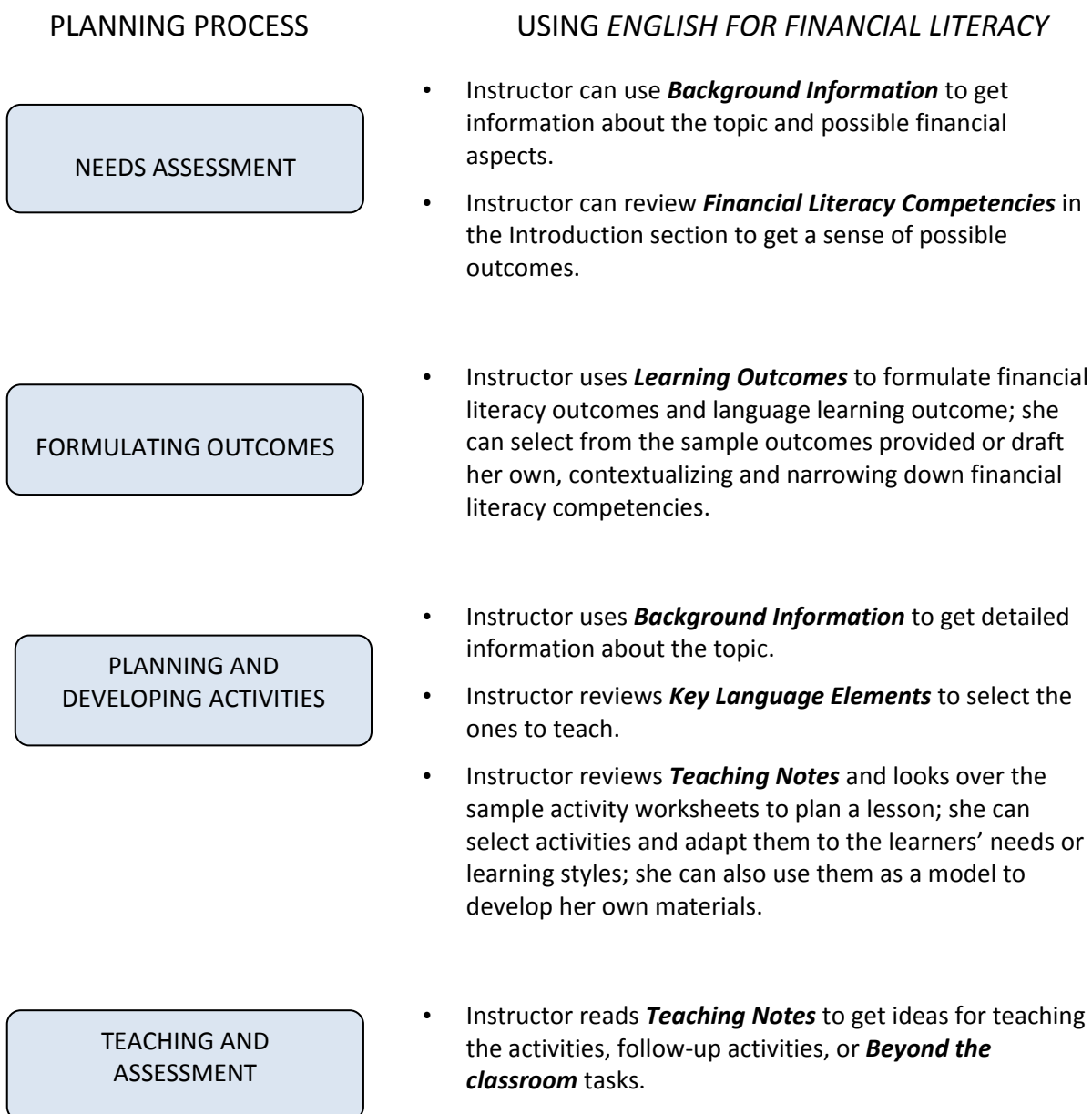
Assessment of language learning can be done using the same tasks and activities; instructors can assess whether or not the language outcomes have been achieved. However, assessment of the financial literacy outcomes is not possible in the classroom. These outcomes will be achieved outside the classroom and not always immediately. Therefore, it may be appropriate that the assessment of the financial literacy outcomes be done by learners. It is suggested that instructors provide sample tools for goal-setting, reflection and self-assessment.



USING *ENGLISH FOR FINANCIAL LITERACY* IN PLANNING AND TEACHING

The planning and teaching process

English for Financial Literacy is designed to assist instructors in incorporating financial literacy content into their program planning and teaching, and to provide support in learning about key topics and concepts related to financial matters. As the diagram below illustrates, instructors can use the resource at each stage of the planning and teaching process.



Exemplar:

This exemplar illustrates how an instructor plans and teaches a series of lessons that integrate financial literacy and language skills.

Class profile: Cathy is an instructor in a LINC 3–4 class. The class of 18 learners is quite diverse in terms of ethnicity and socio-economic factors. There is a range of ages, from young adults to seniors, including single young newcomers, parents of young children, older parents of teenaged children, and a few seniors with grandchildren.

Needs analysis—selecting the topic: Cathy has conducted initial and ongoing needs assessments to gather information about the needs and interest of the group. *Education* has been identified as one theme that is highly important to the majority of learners in the class. Before planning the actual lessons for the theme, Cathy identifies and discusses possible topics to be included within the theme of *Education*. Learners want to know about the public school system in Ontario, about post-secondary education and training, and especially about financing post-secondary education for their children and themselves. They are curious to know the actual costs of tuition and other expenses for college and university programs in Canada. Cathy decides she will teach a series of lessons on the topic of costs associated with post-secondary education.

Formulating outcomes: For the topic she has chosen, Cathy identifies the financial literacy aspects: identifying possible expenses, average tuition, financial assistance options, saving for a child’s education and financial planning and budgeting. She reviews *English for Financial Literacy*, Volume 2 (CLB 3–5) and finds the topic *Financing Post-secondary Education*.

To start planning, she formulates the outcomes for both language and financial literacy. She looks at the table of financial literacy competencies in the introduction section of *English for Financial Literacy*. Under *Spending*, competencies for this theme could include, “*Distinguish between needs and wants*” and “*Use budget tools to plan spending*.” Under *Saving*, there are several possible competencies, such as “*Understand how various savings vehicles work*” and “*Formulate long-term and short-term financial goals*.”

Cathy sees an opportunity to use this topic to include activities on financial planning and budgeting. She understands the importance of these skills in developing financial literacy, but would not feel comfortable instructing her adult learners on how to plan their own finances. The theme of Education will provide a neutral context to explore the concepts and develop the necessary skills.

Next, she looks at the *Learning Outcomes* page for the topic *Financing Post-secondary Education* and identifies financial literacy outcomes and the language and numeracy outcomes for the activities and tasks in a series of lessons that focus on the costs of post-secondary education. She considers these sample financial literacy and language outcomes:

Financial literacy outcomes

- Understand costs, needs and wants
- Recognize how a budgeting tool can facilitate making sound financial decisions
- Identify a budgeting/planning tool suitable for own purposes

Language and numeracy outcomes

- Participate in small group discussions in order to plan a student budget
- Follow a set of instructions to create a budget for a specific situation
- Demonstrate understanding of budgeting and calculating tools

Planning and developing activities: As Cathy is not familiar with current tuition fees or budgeting tools, she researches these topics. In *English for Financial Literacy*, she reviews the topic *Financing Post-*

secondary Education, which includes background information about tuition fees and related expenses, government assistance programs and private student loans. She also looks at print and online resources for teaching financial literacy to learn about budgeting tools.

To find out how much learners know about these topics, she prepares some true/false statements based on the background information. She will use these statements later as a warm-up and needs assessment activity. To make learning and teaching more effective, she wants the learners to be involved in setting their goals and evaluating their own learning. She develops the self-assessment tool that the learners can use with this and other topics. For now, the learners complete the first column. To help learners at CLB 3, Cathy discusses and lists on the board some concepts and skills that relate to this topic: *budget, make a budget, set priorities, calculate totals*, etc.

I want to know about:	I've learned about:	I still need to know about:
_____	_____	_____
I want to know how to:	I've learned how to:	I still need to know how to:
_____	_____	_____
My goal is to: _____		
I will: _____		

Learners can also formulate their goals and make statements on the sheet provided.

Next, Cathy reviews the activity worksheets and selects two sets set of activities: *College is Expensive* and *A Student Budget*. The teaching notes for the activities say they are appropriate for CLB 4–5, so Cathy plans on adapting them for her LINC 3–4 class. Over the next two lessons, Cathy wants to introduce the concept of needs versus wants and budgeting in the context of the costs of post-secondary education, and then, later, transfer the skills the learners develop/practise to other contexts, too.

She uses some of the warm-up and vocabulary practice activities on budgets and collocations with the word “*budget*”; she simplifies the language in vocabulary activities to make it appropriate for CLB 3 learners. She uses the listening text and worksheets as is, but prepares an additional cloze activity based on the transcript in the teaching notes. She creates a grammar worksheet to review the future tense of the modals “*need to*” and “*have to*,” and makes questions and statements about income and expenses in a student’s budget. When discussing budget strategies, she goes beyond the context of post-secondary education and has learners discuss other budgeting scenarios. While learners work on creating budget sheets and performing calculations, Cathy notices that a few learners need support with working with dollar amounts and addition. She works with them individually, explaining the concepts and providing them with *Supplementary Numeracy Worksheets*.

Teaching and assessment: After the lesson on student budgets, learners use the online activities from *English for Financial Literacy* for additional practice of both the language and financial literacy skills. The *Student Budget* activities under *Education*, CLB 3–5 provide practice with budget vocabulary, reading and listening comprehension. They also provide practice in using a budgeting tool and calculating income and expenses as well as balancing a budget. Learners will also do the additional budgeting activities called *Making a Budget*, found under *Personal Finance*, CLB 3–5. Finally, learners with adequate computer skills will search for online budgeting tools and locate one that they would like to use.

While learners work independently, Cathy goes around the room and monitors learners' performance of the listening comprehension task as part of formative assessment. At the end of this series of lessons, learners complete a self-assessment sheet by finishing the statements in columns two and three; Cathy also prompts them to think about their goals in terms of budgeting, and provides examples.